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OFFICE OF THE SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

September 25, 1981

MEMORANDUM FOR:

25X1

Acting NIO for East Asia

FROM:

Arthur W. Long
Arthur W. Long
Senior National Intelligence Adviser

SUBJECT:

Support for US-China JEC Meeting

We would appreciate your assistance in arranging for background papers in preparation for Secretary Regan's trip to China this November. (C)

A list of the types of papers which are needed is attached. The papers should essentially be backgrounders which will supplement the numerous position papers on bilateral economic issues which will be prepared by the USG agencies concerned. The Secretary and most of the US delegation are already generally knowledgeable about China so the papers should be as specific as possible. The approximate length of the papers (exclusive of tables or graphs) and the issues which might be addressed are suggested in the attachment. If possible, classification should be no higher than Secret, but where relevant material is available at higher classifications, this can be accommodated in separate annexa. Biographic requests will be handled separately. (C)

Since we would like to distribute the papers for reading prior to departure for Beijing, receipt by October 28, 1981 would be appreciated. The Agency's exceptional support in previous China endeavors is recognized and we thank you very much for your help with this round. Should there be questions, let us continue to consult. Patricia Haas, the Desk Person, may be reached directly at 566-5637 and we can arrange secure communication if required. (C)

Attachment: a/s

TREA has not reviewed. Processed IAW CIA TREA arrangement letter dtd 4/11/08.

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Classified by Arthur W. Long
☐ Declassify ☒ Review for
Declassification on 9-25-87

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Background Papers

To be prepared by the CIA for the Second
Session of the US-China Joint Economic Committee,
Beijing, November 1981

Use of Charts, Tables, and Graphs Supporting Narrative Presentations Very Desirable

1. Overview of US-China Relations (3-5 pages)
 - development of political/strategic relationship
 - arms sales
 - Taiwan
 - reaction to Reagan Administration China Policy
 - recent bilateral agreements; visits
2. US-China Economic Relations (5 pages)
 - the US role as compared to others (Western Europe and Japan) including private sector trade, finance, investment ties (i.e., banking relations, credit lines, contracts and major projects involvement, joint ventures, trade statistics, etc.)
 - reactions to USG activities (very brief, issue papers will cover basic points i.e., JEC, trade agreement, claims agreement, Eximbank, OPIC, TDP, etc.)
3. Overview of Chinese Economy (5 pages)
 - economic indicators
 - domestic economy
 - internal economic policy debates
 - modernization program
 - retrenchment and economic outlook
 - implications for foreign trade, finance, investment in general, U.S. in particular
4. China's International Economic Relations (5 pages)
 - credit extensions to China (commercial, government export credits, concessional assistance)
 - balance of payments, debt, trade statistics
 - foreign investment in China, joint ventures, compensation trade, etc.
 - multilateral ties (i.e., IMF, World Bank, GATT, participation at Cancun)
 - economic relations with other countries (i.e. aid/credits extended by China)

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5. Chinese Leadership (2-3 pages)
(A chart presentation would be helpful)
 - overview organization of political and economic leadership
6. China's banking and foreign exchange system (3 pages)
 - domestic financial system
 - management of foreign exchange
 - BOC activities abroad
 - Chinese interest in foreign capital/bond markets
7. Chinese investment and tax laws (2-3 pages)
 - brief description of legal framework
and implications for foreign trade, finance
and investment
8. China's Energy Outlook (3-5 pages)
 - overview of current developments and potential in
oil, coal, hydropower and nuclear power sectors
 - outlook for U.S. involvement

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